



- We're Listening to You
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We're Listening to You...

At the beginning of 2006, Unemployment Insurance (UI) implemented a new computer system named CUBS (Comprehensive Unemployment Benefit System). CUBS helps provide services to claimants and employers. Beginning in November, employers can now respond to notices of claims filed by accessing the requests for separation information and submitting responses through the Internet at jobs.utah.gov/ui/606. For security purposes, you must enter your employer ID and the PIN created when the Notice of Claim Filed is generated.

This helps employers provide timely information more efficiently and respond in the required time frame. If your company has additional pages of information to send, you may download a cover sheet to fax the additional information. They can be faxed into our CUBS imaging system where they are directed to the unit responsible for processing the claim. In the future, we hope to provide completed electronic interfaces for those employers who choose to receive notices and provide information by using the Internet.

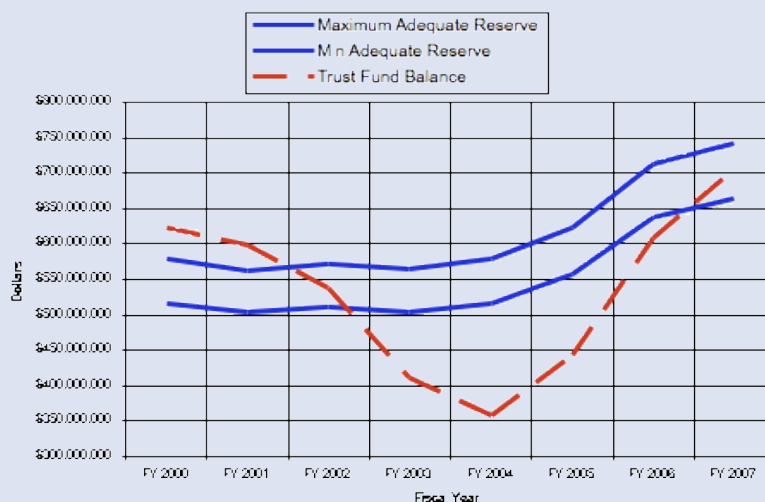
Most Employers' Unemployment Rates **Lowered**

Unemployment Insurance (UI) Contribution rate notices for 2007 were recently sent to all Utah employers. The vast majority of Utah employers will experience lower rates in 2007. Rates have been lowered to reflect a healthier UI trust fund, lower benefit payments, and a significant increase in jobs within Utah.

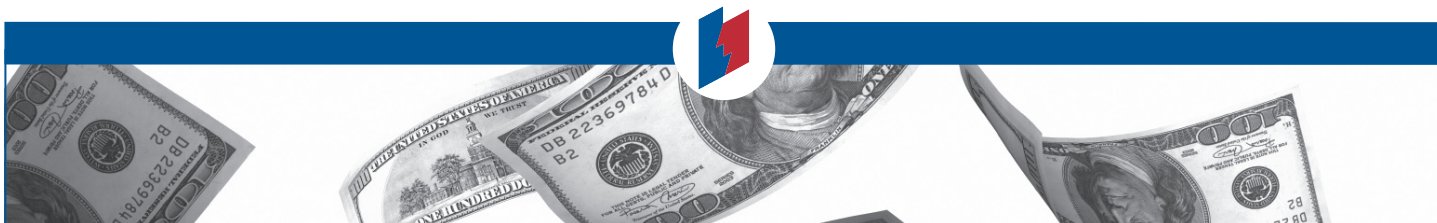
As is expected, the UI trust fund is drawn upon heavily during a recession to pay benefits and is built up during growth periods. Maintaining adequate reserves ensures that the trust fund remains solvent and eliminates the need to borrow from the federal government, thus avoiding excessive employer rate hikes during economic downturns. The "reserve factor" is a major component of an employer's overall tax rate and is adjusted each year to reflect the relative health of the trust fund. Because the trust fund balance is approaching the minimum adequate level, the 2007 reserve factor was lowered from 1.25 to 1.05.

The social cost rate is assigned to all employers and is also the minimum rate available; this has been reduced

UI Trust Fund Balance Projections



from .004 (.4%) to .003 (.3%) in 2007. The outlook for future UI rate reductions looks positive provided Utah's economy remains healthy in the coming year.



“Earn It-Keep It-Save It” Initiative

Employers can help by volunteering services or by increasing awareness of the EITC to eligible employees

The “Earn It-Keep It-Save It” Initiative is a public-private partnership working to strengthen family financial stability by utilizing the Earned Income Tax Credit (EITC), Volunteer Income Tax Assistance (VITA), and asset formation programs.

The Earned Income Tax Credit (EITC) is a refundable federal tax credit that can increase the effective wage of qualifying workers by up to \$2/hour. However, up to 40,000 households fail to file for the EITC because they are unaware, they aren’t required to file taxes because of their low earnings, or they face education or language barriers. Eligible Utahns leave up to \$80 million annually in unclaimed federal EITC money. A recent study found that each increase of 10,000 households utilizing EITC could bring an additional \$17 million in direct EITC payments to Utah and generate approximately \$63 million in additional state and local economic activity.

Organized through the statewide “Earn It-Keep It-Save It” Initiative, the Volunteer Income Tax Assistance (VITA) program provides free tax preparation services to low-income households. In 2006, 300+ volunteers completed more than 9,000 free returns to help Utahns claim more than \$9.5 million in EITC and other tax credits.

Asset formation programs such as Utah Saves and Individual Development Accounts (IDAs) are offered in partnership with EITC and VITA. They provide financial education, support, and incentives to help Utahns improve their financial knowledge and create long-term assets to enhance their economic stability and well-being. IDA’s offer low-income Utahns matched savings to help acquire a home, small business or finance higher education. Utah Saves helps Utahns gain the information and support needed to reduce debt and increase their savings.

In 2006, the Utah State Legislature passed HJR 23, Working Families Economic Development Initiative (Cosgrove) to encourage greater state agency involvement in this important effort. Led by the Department of Workforce Services, state agencies and private employers identify ways to publicize EITC and VITA and build the volunteer capacity needed to offer VITA services.

The “Earn It-Keep It-Save It” Campaign is lead by a broad statewide coalition of public, private, and non-profit organizations. Local coalitions in Cache, Weber, Salt Lake, Utah and Washington Counties work to implement the campaign in their areas. The Utah Community Action Partnership Association provides VITA services in the remaining areas.

Volunteers Needed!

to prepare and electronically send tax returns.

Free training in simple tax law with an emphasis on the credits available for low-income families. Choice of online, self-study, and hands-on training.

Volunteer a minimum of three hours a week from January through April 15, 2007.

Help low-income families keep more of what they earn and bring millions of dollars into our economy.

Register on-line at utahtaxvolunteer.org
or dial 2-1-1

MAJOR PARTNERS:

- 2-1-1 Info Bank
- AAA Fair Credit Foundation
- American Express Center for Community Development
- Brigham Young University
- Building Assets Together Coalition (BAT-Ogden)
- Dixie College
- Internal Revenue Service (IRS)
- Growing Assets and Income Now Coalition (GAIN-Salt Lake City)
- Salt Lake County Government
- Southern Utah Asset Building Coalition
- United Way of Northern Utah
- United Way of Salt Lake
- United Way of Utah County / 2-1-1
- University of Utah
- Utah County EITC/VITA and Utah Saves Coalition
- Utah Department of Workforce Services (DWS)
- Utah Saves
- Utah Community Action Partnership Association (UCAPA)
- Utah State University Cooperative Extension
- West Valley City
- Westminster College
- Zions Bank